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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000198

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SUBJECT: TAIPEI MAYOR'S RACE: PAN-BLUES ALREADY CAMPAIGNING

Classified By: AIT Director Douglas Paal, Reason(s): 1.4 (B/D).

¶1. (U) Summary: Though the election to replace Taipei Mayor Ma Ying-jeou is still ten months away, former Environmental Protection Minister and New Party member Hau Lung-bin is leading a pack of five Pan-Blue candidates, including the once-popular People First Party (PFP) Chairman James Soong. In contrast, only one Pan-Green candidate, DPP legislator Shen Fu-hsiung, has stepped forward thus far, probably because most would-be candidates accept there is little chance of a DPP victory. Soong's candidacy poses the greatest threat to a presumed KMT victory. Soong has threatened to run even if he does not receive the KMT nomination. Ma must resolve the Soong/PFP problem, or face the risk of Soong splitting the Pan-Blue vote and handing the race to the DPP. It was a three-way race that enabled Chen Shui-bian to be elected Taipei Mayor in 1994, and is probably the only way the DPP has a chance of winning in 2006.

KMT Candidates: Who's In, Who's Out

¶2. (C) As of January 19, two KMT members have declared their intention to run for Taipei mayor: legislator John Chiang (Hsiao-yen), son of former president Chiang Ching-kuo, and current Taipei Deputy Mayor Yeh Chin-chuan. On January 13, KMT Taoyuan Magistrate and Ma confidant Eric Chu (Li-luan) described Chiang and Yeh to AIT as "second-tier" candidates, both still capable of defeating virtually any Pan-Green comer, but by a lesser margin than a "first tier" candidate like Ma Ying-jeou's former Deputy Mayor Ou Chin-der or former Environmental Protection Minister Hau Lung-bin.

¶3. (C) On January 19, "first tier" candidate Hau Lung-bin announced his intention to run for Taipei Mayor. Hau withdrew from the KMT in 1995 to join the New Party, and has refrained from political activity since becoming Secretary General of the Republic of China Red Cross in 2004. Hau remarked that the KMT would welcome the participation of former New Party and PFP members in any mayoral nomination process because it would legitimize the KMT's claim of Pan-Blue inclusiveness and put additional pressure on James Soong to explain why he chose to remain apart.

¶4. (C) On January 10, Mayor Ma told AIT Director that Hau stood a good chance to run for mayor as a KMT candidate. KMT Sec-Gen Chan Chuen-po told AIT January 10 that Hau was both

clean and credible, and his experience made him the most qualified candidate. Chan added that Hau is the one potential Blue candidate who can appeal to both Mainlander and Taiwanese voters as Ma has done. At the announcement of his intention to run for mayor, Hau said he would decide whether to rejoin the KMT after consultation with the New Party leadership. New Party leaders, in turn, authorized Hau to run on a KMT ticket. Taoyuan Magistrate Chu said that although Hau is still a member of the KMT-allied New Party, it would take "no more than five minutes" for him to become a KMT member and eligible to run in the KMT's mayoral primary. Chu predicted that Hau would defeat any DPP challenger by a ten to fifteen point margin.

¶ 15. (C) On January 11, the other "first tier" candidate, long-time Ma assistant and former Taipei Deputy Mayor Ou Chin-der declared that he would not run for mayor. Ou is currently director of Taipei's mass rapid transit-related Smart Card Corporation. According to press reports, Ma Ying-jeou expressed surprise and disappointment at Ou's decision, and said that he would try to get him to reconsider. (Note: Ma later publicly stated it would be "improper" for him to persuade Ou to reconsider. End note.) Ou told AIT on January 18 that he and Ma had discussed the prospect of his candidacy several times in recent months, during which Ou informed Ma that he did not want to immerse himself in politics, and that the other potential candidates were well-qualified and had long been preparing themselves for a mayoral run. Ou said Ma was disappointed, but understood and accepted his reasons for opting out. KMT Sec-Gen Chan told AIT that Ou's background as a civil engineer would make him a good candidate for Kaohsiung mayor, but Ou told AIT he intended to return to the private sector after finishing his term at the Smart Card Corporation. Ou

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told the Director he is proudest of his civil engineering accomplishments.

¶ 16. (C) On January 10, KMT Sec-Gen Chan told AIT that PFP legislator Diane Lee (Ching-an) would likely return to the KMT to seek the party's mayoral nomination. Lee announced January 14 that she was leaving the PFP to rejoin the KMT. Many Taiwan observers suspect that Lee timed her KMT return to ensure compliance with a pending KMT procedural rule which will require one to be a KMT member at least four months in advance of the nomination date for any election where one wants to run as the KMT candidate. (Note: Ma Ying-jeou publicly denied that the rule is a strategy designed to exclude James Soong from participating in the KMT's mayoral primary, or to encourage PFP members to defect to the KMT. Ma said the KMT is merely hoping to avoid criticism from its grassroots supporters, who opposed allowing Chou Hsi-wei to run for Taipei County Commissioner less than four months after his return from the PFP. End note.)

Little Hope Equals Little DPP Interest

¶ 17. (C) So far, only DPP legislator Shen Fu-hsiung has stepped forward to represent the Pan-Greens in the upcoming mayoral election. Hau Lung-bin said the DPP has no viable candidate for Taipei mayor, and the DPP leadership has already deemed the race lost. Hau surmised the DPP would probably have to force someone, perhaps DPP Secretary-General Lee Ying-yuan, to run against Shen, so that the DPP could make the requisite showing of a contested primary. (Note: Lee was defeated by Ma Ying-jeou in the 2002 Taipei mayor's race.) Shen Fu-hsiung told AIT that many DPP leaders see him as "too moderate" (i.e., too "light-green"), but insisted that President Chen had assured him that the party has "no problem" with his candidacy.

Is Soong The Spoiler?

¶ 8. (C) James Soong announced his intention to run for Taipei Mayor on January 10. The same day, Ma Ying-jeou stated that the KMT would not set aside the Pan-Blue nomination for Soong and that any prospective candidate would have to participate in the KMT's nomination mechanism. KMT Sec-Gen Chan told AIT that Soong is holding back KMT-PFP reunification, because he is unwilling to give up the government subsidy, independence and control afforded by having his own party. Earlier, Soong had called for Ma to reserve the Pan-Blue mayoral nomination for him, as a condition to any future merger of the two parties (and presumably in exchange for Soong's promise not to run for president in 2008). Ma declined this possibility publicly, reaffirming the position that the KMT would not withdraw from the mayoral race, and would field its own candidate, to be decided by the party's nomination mechanism.

Hau Lung-bin told AIT there is a slim chance the DPP could win the Taipei mayor's race if James Soong were to run, recalling the three-way 1998 mayor's race among Ma, Chen Shui-bian, and blue-leaning New Party candidate Wang Chien-hsien. Wang was nearly as popular as Ma, said Hau, but he won less than three percent of the vote, and Ma defeated Chen by a comfortable five point margin.

¶ 9. (C) KMT Sec-Gen Chan told AIT that in order to win Taipei Mayor, a KMT (or Pan-Blue) candidate must win 80% of the Mainlander votes (28% of the total population) and 40% of the Taiwanese (72% of the total population). Recent polling results suggest it would be impossible for Soong to reach those marks: Among a field of 10 prospective candidates, including Hau Lung-bin, Shen Fu-hsiung, Diane Lee, DPP legislator Tsai Ing-wen, and independent legislator/political gadfly Li Ao, James Soong's approval rating ranks second-to-last, with 19 percent support, comparing unfavorably with first-place finisher Hau Lung-bin's 60 percent, and second-place Shen Fu-hsiung's 40 percent. In head-to-head matchups against Shen Fu-hsiung, Tsai Ing-wen, and Luo Wen-jia (defeated last Decembe in his bid for Taipei County Magistrate), Soong defeated Luo by 3 points, and Tsai by four, but lost to Shen by 11 points. PFP Public Affairs Director Liao Wen-chang told AIT that every PFP LY member knows that Soong has commissioned public opinion polls to

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gauge his mayoral chances, but only Soong and PFP legislator and PFP Policy Center director Chang Hsien-yao know the results. Liao said most PFP members think the results are negative, and that Soong keeps them secret to stave off further disintegration of the party.

Comment

¶ 10. (C) In a two-person Taipei mayoral race, only newly-appointed Premier Su Tseng-chang would have a chance of defeating putative KMT-nominee Hau Lung-bin, but Su, the presumed DPP 2008 presidential candidate, is looking toward bigger things. The lingering question is whether Soong will make it a three-person race, and once again throw victory to the DPP, as he did in the 2000 Presidential contest. Many of Ma's advisors and sources within the PFP suggest that James Soong is or will soon no longer be capable of threatening to split the vote, as more and more of his party return to the KMT, and voting for Soong and the PFP becomes less and less practical. Ma's best strategy perhaps is to continue offering Soong a place within the party, and, should Soong choose once again to run as a splittist candidate, to brand him as a two-time traitor to the Pan-Blue cause.

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